CLASSIFICATION GOTTROL - U. : CITICIALS ONLY Approved For Release 290 1/03/22ENCFAARDR82-00457R90290031 information report 25X1A CD NO. COUNTRY Czechoslovakia DATE DISTR. 5 JUL SUBJECT Strategic Considerations Affecting Location NO. OF PAGES 1 and Administration of Industry CONFIDENTIAL 25X1A NO. OF ENCLS. RETURN TO CIA LIBRARY (LISTED BELOW) SUPPLEMENT TO information from Czech Army General Staff circles to the effect that the strategic line circumscribing the safe area for industry was recently altered. Prior to the change, the line ran from the Polish border directly south to Banska Bystrica and thence east to the Carpatho-25X1X Ukrainian frontier. The new line extends further south, to Nova Bana, and then east along the southern fringes of the mountains of Slovakia. This extension southwards toward the Hungarian border is a direct result of the strengthening of the regime in Hungary, which is now considered safely Communistic. Another strategic decision has been made to forbid the erection of any new plants in Bratislava or the extension of existing ones. The general in Prague who grants approval, from the military point of view, for the erection of new industrial installations is shortly to be replaced by Krčmerik, the present deputy manager of all metallurgical industries in Slovakia. Kromerik, a Moscow-trained Communist, is being removed from his managerial post by reason of his incompetence. Industrial management in Czechoslovakia is being decentralized for strategic reasons. Instead of having a country-wide general management for all industries of a kindred group, involving sometimes the concentration of the affairs of 30 or 40 plants in one office, the old system of an independent administration for each plant will be reintroduced. Above the individual plants there will be only a coordinating office, not an administrative one, similar to the Russian "Glavsky". The former central general managements will be absorbed by the Ministry of Industry, which is then expected to split up into several independent industries for the various industrial groups. This document is hereby regraded to Document No. CONFIDENTIAL in accordance with the NO CHANGE in letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States. Next Review Date: 2008

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